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Issue #037: No, the Endowment Cannot Be Used to “Fight Trump” - Stand Columbia Society

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18–23 minutes

Let’s put it in perspective: the federal government spends Columbia’s entire endowment of \$15 billion every 20 hours. It spends Columbia’s entire annual budget of over \$6 billion over the course of a work day. That’s how fast it moves. There is no world where Columbia University can outspend or outmaneuver the federal government.

This narrative is coming from people who, at best, are naively optimistic. At worst, they’re chest-beating chickenhawks eager to volunteer other people’s careers, funding, and futures for their riskless and performative moral grandstanding.

Case in point: The American Prospect recently published a piece titled [“Columbia’s Capitulation, and Wesleyan’s Pushback”](#). The President of Wesleyan University, Dr. Michael Roth, gravely intoned that he understood that Wesleyan was also exposed to the same federal funding threats. “Of course, I think about that. And then I think that’s the classic collaborationist dilemma, right?” Profile in courage? Not quite. Wesleyan gets [\\$9 million a year](#) in federal research grants. Columbia gets [\\$1.3 billion](#), nearly 150 times more. There are individual faculty members at Columbia whose grant portfolios are larger than all of Wesleyan University.

On July 11, 1804, Princeton alumnus (and [seditious traitor](#)) Aaron Burr infamously shot and killed Columbia alumnus Alexander Hamilton. Two hundred and twenty-one years later, the President of Princeton, Dr. Christopher Eisgruber, [urged us](#) to “speak up and litigate forcefully”,

essentially volunteer to be shot, presumably to protect Princeton. History does not repeat, but it sometimes rhymes.

This post will do what too few have done: think through what would actually happen if Columbia decided to litigate its way out of the government’s threats, and thoroughly debunk this piece of disinformation.

What Is an Endowment?

Note: This draws from our [explainer on the endowment](#).

Let’s start with the basics. An endowment is not a pile of gold coins that sits in some subterranean vault guarded by a three-headed dog or possibly [Smaug the Dragon](#). It’s not a magical reservoir of cash. It is not [Scrooge McDuck’s money bin](#).

Columbia’s endowment is worth approximately \$14.8 billion as of June 30, 2024, and is made up of more than [6,450 distinct funds](#), most of which are restricted for a specific purpose. The most well-known ones are [endowed chairs](#), where the professor’s salary, benefits, and sometimes research are funded by the proceeds of that endowment. An endowed chair in say, physics, usually cannot be “reallocated” to pay for funding shortfalls in mathematics or legal defense funds or PR campaigns.

We say “usually” because there are exceptions. To use an endowment for another purpose requires either the [donor’s explicit consent or a court process involving the New York State Attorney General](#). Restrictions are serious—there have been cases when non-profits have skirted donor intent and have been sued by their donors, sometimes resulting in “clawbacks” of funds. Here’s one [involving Princeton](#).

Approximately \$4.8 billion of the \$14.8 billion headline number are [unrestricted](#) funds, which means they are not dedicated for a specific purpose. But even those are governed by university policies and laws around prudent use of institutional funds and fiduciary responsibilities. The legal bar for using an endowment’s principal—a process known as [“decapitalization”](#)—is so high (and also requires donor permission) that we did not do it in the financial crisis of 2008 or even during [COVID in 2020](#).

Two professors [recently volunteered themselves and their colleagues](#) for

a “10 percent pay cut” to cross-subsidize losses while launching a legal battle against the Trump administration. That’s a meaningless gesture, although we suppose it sounds brave. A professor cannot decapitalize his or her own endowed chair. He or she certainly can’t decapitalize someone else’s, and definitely cannot decapitalize funds for financial aid and other endowed purposes. This is moral signaling with Monopoly money.

Why the Endowment Can’t Be Used to “Fight Trump”

Let’s be generous and assume we even *wanted* to use Columbia’s endowment as a war chest. What would that look like? Well, we have a few problems.

First, the endowment is not liquid. As of June 30, 2024, about \$4.8 billion of Columbia’s endowment is unrestricted. However, that is not liquid. Only 3% are in cash or bonds. The rest are in [private equity](#), [global \(public\) equities](#), [venture capital](#), [hedge funds](#), and [real estate](#). The global secondary market for stakes in private funds is approximately [\\$87 billion per year](#), and so liquidating Columbia’s unrestricted portfolio is a material—and potentially market-moving—component of that. That means we will likely take a “haircut” of up to 10% if we were to attempt to turn that volume of assets into cash on short notice—and that is at the end of a sale process that may take months. (10% is generous and assumes high-quality buyout funds; if Columbia is exposed to venture capital or exotic financial instruments, the discount would be even more punitive.) So \$4.8 billion in private assets would turn into \$4.3 billion in cash.

Second, we have to reserve cash for working capital. Like many universities, Columbia has a mismatched working capital cycle. Specifically, Columbia takes, on average, 55 days to collect cash and 28 days to pay cash. This makes sense (and is common among universities) because government grants, tuition, and insurance reimbursements might take months to materialize, but payroll must happen every few weeks.

	2024	2023		2024	2023
Accounts payables	508,922	329,007	Accounts receivables	805,204	741,711
Average		418,965	Average		773,458
Instruction & admin		2,415,561	Patient care revenue		1,783,696
Patient care expense		1,555,432	Tuition and fees		1,514,596
Research		951,340	Gov’t grants		1,329,009
O&M of plant		367,001	Other research / educational activities		262,091
Aux enterprises		228,339	Aux enterprises		247,356
Total “COGS”		5,517,673	Total “Operatind” Revenues		5,136,748

Days Payables Outstanding	27.7	Days Receivables Outstanding	55.0
<i>Excluded</i>		<i>Excluded</i>	
Institutional support	386,280	Investment income	813,411
Depreciation	327,635	Private gifts	653,567
Interest	67,325		

What this means is that Columbia must keep approximately one month’s worth of cash on hand to fund this mismatched cycle, which is over \$500 million in 2024. \$4.3 billion would then become \$3.8 billion.

Third, we’d buy less than two years. As we have [discussed previously](#), the federal government gives Columbia nearly \$2 billion per year in financial assistance between federal grants (\$1.3 billion), Medicare and Medicaid (at least \$350 million, likely more), and federal student aid (\$318 million). If we torch the entire unrestricted endowment, which dates back nearly three centuries, we would buy less than two years to “fight Trump”.

Line item	\$ in thousands
Endowment (mark-to-market June 30, 2024)	14,842,492
Unrestricted endowment	4,778,879
(Less) Liquidity discount	10%
Liquidation value	4,300,991
(Less) 30 days cash for working capital	524,909
Usable decapitalized endowment	3,776,082
Federal research grants	1,329,009
Medicare and Medicaid	349,120
Federal student financial assistance	318,000
Annual federal assistance (cash)	1,996,129

Years of cash runway **1.89**

Fourth, the federal government can continue to inflict damage on us. We have not touched on another important aspect. As we observed last November, the federal government has multiple attack vectors against Columbia. For example, the Trump administration might use student visas. Axios reported earlier this week that the Trump administration might declare entire institutions ineligible for the [Student and Exchange Visitor Program](#), which is the heart of U.S. visa issuance for international students. This is a [unilateral executive branch decision](#). International students pay ~\$800 million in tuition per year to Columbia because they are (almost) all full-freight paying students with fairly few eligible for financial aid. If we cannot easily replace [14,000 international students with American students](#), our cash runway will only fall further. And let’s not

forget the [lurking specter of an endowment tax](#).

Fifth, it's simply not enough. This cash runway is not even enough time to get to the midterms, much less the rest of the Trump administration. So, what exactly is the plan here? Burn the ship to light the sky?

OK, Let's Fight Trump Anyway. How Would That Work?

Let's say we do it anyway. Columbia decapitalizes the endowment, burns through cash reserves, and prepares to fight the federal government. What would it take for that strategy to succeed?

Well, you'd have to believe in a sequence of highly optimistic, borderline fantastical outcomes. Here's what that roadmap looks like:

1. **Legal Victory at Every Level.** Columbia would need to challenge federal funding cuts in court—and win at every stage. That means success not just in initial rulings, but also through appeals, all the way to the Supreme Court. No missteps, no setbacks, no unfavorable decisions. And all done quickly, before we run out of cash.
2. **No Retaliation from the Executive Branch.** You'd also have to believe that, once litigation begins, the administration wouldn't respond with further cuts. Right now, \$430 million is explicitly at risk. But Columbia receives close to \$2 billion annually in federal support—through grants, healthcare reimbursements, and student aid. The full spectrum of federal financial support (worth over \$5 billion over multiple years) could be next, as the [government has already signalled](#).
3. **Congress Won't Step In.** Even if Columbia wins in court, you'd have to believe that a GOP-controlled Congress wouldn't simply rewrite the rules—by removing Columbia from future federal appropriations altogether. If Congress includes an anti-Columbia provision in federal appropriations, it's virtually impossible to reverse it until Columbia allies are in the majority of both houses of Congress and control the White House.
4. **Our Best Faculty Won't Leave.** Every university will try to poach our best faculty. That's how rival law firms responded to [Paul Weiss](#). (From the NYT: “We waited for firms to support us in the wake of the president's executive order,” Paul Weiss's chairman, Brad Karp, wrote in an email to the firm on Sunday. “Disappointingly, far from support, we learned that

certain other firms were seeking to exploit our vulnerabilities by aggressively soliciting our clients and recruiting our attorneys.”) Faculty who want to preserve their research portfolios will take [their ideas, staff, students and labs elsewhere](#). It happened after 1968. It can happen again.

5. A Decade of Favorable Elections. You’d also need to count on the next two to three election cycles—midterms and presidential contests—to go Columbia’s way. Our cash reserves might give us less than two years of runway. Sustaining this battle would require consistent political wins for a decade or more.

6. A Surge in Alumni Giving. Finally, you’d need to believe that alumni donations would not only hold steady, but skyrocket to fund the fight. Last year, Columbia raised [\\$653 million in gifts](#), including [one-time mega-gifts](#). Are we supposed to believe that openly dedicating the university to “fighting Trump” will magically triple those numbers (necessary to backfill the \$2 billion hole)—despite the risk of alienating large segments of our base?

If even one of those goes sideways, then it’s game over. Professor Charlie Eaton, an economic sociologist at UC Merced, missed every single one of these points in his chest-beating NYT op-ed [“\\$15 Billion Is Enough to Fight a President.”](#) His principled and courageous willingness to fight to the last Columbia professor and the last dollar of Columbia’s endowment is a sight to behold.

And what exactly are we dying on the hill for? The right of students to take over University buildings? The right to [kidnap](#) and [injure](#) staff? The right to act as a distribution arm of the [“ Hamas Media Office ”](#)? This is the wrong hill to die on. None of this is broadly supported by the American public, to whom Columbia is not just a beneficiary but a steward of taxpayer money. And they’re not causes that justify permanent institutional damage.

This Is Really, Really, Really Stupid

To recap: this idea isn’t bold. It isn’t radical. It’s not even a protest. It’s financial malpractice. It’s strategic lunacy. And it’s all being driven by people who think they won’t lose their research labs (if they even have them), retirement and tuition benefits, health insurance, housing, or jobs

when this fantasy inevitably implodes.

The armchair warriors instructing us to fight Trump? Volunteer your own institutions instead. Don't demand that Columbia—or its students, faculty, or staff—burn their futures for your moment of performative glory. Our mission is important: if you are not comfortable doing your part to teach the next generation, conduct cutting-edge research, deliver the world's best clinical care, and be a good neighbor, we would ask you to act according to your convictions and let the rest of our faculty, students and staff move forward. Columbia University is too important to the United States and the world.

In the meantime, the University has work to do. Things like rebuilding public trust, repairing the social contract with the American people, and securing its role as one of this nation's great research institutions. And that means leaving the [cringe-worthy performative heroics to the Internet](#), where they belong.

News Roundup

– March 29, 2025. The Harvard Crimson [reported](#) that Faculty of Arts and Sciences (FAS) Dean Hopi E. Hoekstra has mandated that directors of FAS centers and institutes meet with divisional deans to discuss how their programming aligns with new university guidelines on intellectual and viewpoint diversity. The directive follows recent criticism of certain centers, notably the Center for Middle Eastern Studies, which faced backlash for alleged bias and led to leadership changes. Hoekstra's email emphasized the importance of fostering respectful dialogue across controversial topics and implementing recommendations from recent reports urging broader exposure to diverse perspectives. The initiative aims to counter self-censorship among students and promote open, constructive academic environments across Harvard.

– March 28, 2025. The WSJ [reports](#) that Katrina Armstrong is relinquishing her post as president of Columbia University. Trustee Co-Chair Claire Shipman was named Acting President, concurrent with a presidential search.

– March 28, 2025. The Harvard Crimson [reported](#) that in a significant shake-up, Harvard has dismissed the director and associate director of its

Center for Middle Eastern Studies (CMES) amid ongoing controversy over the center’s programming on Israel and Palestine. Interim Social Sciences Dean David M. Cutler removed Professor Cemal Kafadar and History Professor Rosie Bsheer from their leadership roles, though both will retain their faculty positions. The move follows growing criticism from Harvard affiliates and alumni who allege the center promotes antisemitic content and lacks balanced representation of Israeli perspectives. Although the word “receivership” was not used, this appears similar.

– March 28, 2025. Senator Bill Cassidy (R-LA), chair of the United States Senate’s Committee on Health, Education, Labor, and Pensions (HELP) [launched an investigation](#) into American Muslims for Palestine (AMP), an affiliate of Students for Justice in Palestine (SJP). The investigation included a pair of letters to [Barnard](#) and [Columbia](#) asking for information on their activities on campus, and any connection to foreign terrorist organizations including Hamas. This follows on the heels of government bodies taking an increasing national security versus civil rights focus.

– March 27, 2025. Over 1,600 individuals and three dozen organizations [announced a boycott](#) of Columbia University. These organizations include multiple chapters of Students for Justice in Palestine (SJP) and Faculty and Staff for Justice in Palestine (FSJP) and local fringe extremist group Within Our Lifetime (WOL). We actually think this boycott, if successful, would solve a lot of our problems. We think Columbia’s now-derecognized chapters of Students for Justice in Palestine (SJP), Faculty and Staff for Justice in Palestine (FSJP), and Jewish Voice for Peace (JVP) should join this boycott. We would also be thrilled if WOL boycotted Columbia University instead of [hosting a memorial service](#) for terrorist and mass murderer Yahya Sinwar. Perhaps we should advertise this boycott to admitted students so ones that find their values in alignment with this boycott would act on that conviction.

– March 27, 2025. The NY Times published an [article](#) this week explaining how Columbia’s remaining locked campus is continually exasperating its local community. Beyond neighbors, students are now also suing the school, underlining the complaint that curtailed access to public space is a form of free speech restriction. The gates guarding Columbia’s College Walk were a \$89,000 gift from George Delacorte, the philanthropist. Until recently, the gates were mainly used for decoration

and closed only rarely for “special occasions.” The closure means that the local community members not directly affiliated with the school must now circumnavigate the school. Columbia-issued ID cards are required for students to access the College Walk.

– March 26, 2025. The [Guardian](#) ran an interesting op-ed this week about how both “sides” are to blame for setting the scene for recent budget impacts (roughly 6% of Columbia’s total yearly operating budget) in higher education. To maintain that money, Columbia is under pressure to “adopt a number of illiberal measures” including putting several academic departments (Middle East, South Asia, and Africa Studies) into receivership, empower campus police with more authority and skip over the usual due process involved in taking people from campus. Even before this pressure from the Trump administration, Democratic governor of New York, Kathy Hochul, required Columbia get rid of a hiring post for academics focusing their research on Palestine. The author’s point is that this kind of action and approach set a dangerous precedent for restriction of free speech, which he believes the Trump administration is continuing.

– March 25, 2025. CNN [wrote](#) this week about how labor unions in representation of faculty are suing the Trump administration for taking back \$400 million in research funding from the federal government. This is in lieu of the campus protests, and the administration is being charged with using the money to restrict speech on Columbia’s campus. In a lawsuit that the American Association of University Professors and the American Federation of Teachers in US District Court for New York’s Southern District filed, it read, “This action challenges the Trump administration’s unlawful and unprecedented effort to overpower a university’s academic autonomy and control the thought, association, scholarship, and expression of its faculty and students.”

– March 24, 2025. The WSJ [reports](#) that faculty members at Columbia expressed anger in private meetings with Katrina Armstrong as she shared the potential impact of “devastating” budget cuts to come and apparently tried to “downplay” the qualms about the deal Columbia reached with Friday with the government and the school’s ability to maintain independence here on out. About 75 faculty members were present, and reportedly it was shared that the school is under investigation by six federal agencies, and there is the potential for all

federal funding to be cut, well beyond the initial \$400 million. Armstrong said according to the meeting’s transcript, “The ability of the federal administration to leverage other forms of federal funding in an immediate fashion is really potentially devastating to our students in particular. I think it is a really critical risk for us to understand.”

– March 11, 2025. The [Columbia Academic Freedom Council](#) posted an [open letter](#) that urged our President and Trustees to reaffirm our commitment to open inquiry, intellectual diversity, and civil discourse. The letter outlines seven key recommendations—including institutional neutrality, elimination of ideological litmus tests in hiring, affirmation of viewpoint diversity in curricula, and fair enforcement of protest rules—to safeguard academic freedom and foster a culture of respectful debate.